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Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

NORTHERN NV ACQUISITIONS, LLC

- ☐ Affects this Debtor
☒ Affects all Debtors
☐ Affects Reno Land Holdings, LLC
☐ Affects River Central, LLC
☐ Affects Tropicana Station, LLC
☐ Affects FCP Holding, Inc.
☐ Affects FCP Voteco, LLC
☐ Affects Fertitta Partners LLC
☐ Affects Station Casinos, Inc.
☐ Affects FCP MezzCo Parent, LLC
☐ Affects FCP MezzCo Parent Sub, LLC
☐ Affects FCP MezzCo Borrower VII, LLC
☐ Affects FCP MezzCo Borrower VI, LLC
☐ Affects FCP MezzCo Borrower V, LLC
☐ Affects FCP MezzCo Borrower IV, LLC
☐ Affects FCP MezzCo Borrower III, LLC
☐ Affects FCP MezzCo Borrower II, LLC
☐ Affects FCP MezzCo Borrower I, LLC
☐ Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-_____
Jointly Administered

**MOTION PURSUANT TO 11 U.S.C.
§§ 105(a), 345(b), 363(c) AND 364 FOR
AUTHORIZATION TO (i) CONTINUE
CASH MANAGEMENT SYSTEM,
(ii) MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS,
AND (iii) MAINTAIN EXISTING
INVESTMENT POLICY**

Hearing Date: July 30, 2009
Hearing Time: 1:30 p.m.
Place: 300 Booth Street
Reno, NV 89509

1 TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

2 Station Casinos, Inc. (“SCI”) and its affiliated debtors and debtors in possession
3 (collectively, the “Debtors” or “Station”)¹ in the above-captioned chapter 11 cases, hereby submit
4 this motion (the “Motion”) for interim and final orders pursuant to sections 105(a), 345(b), 363(c)
5 and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the
6 “Bankruptcy Code”) (i) authorizing the Debtors to maintain and continue to use, without
7 interruption, (a) their existing cash management systems, including existing bank accounts,
8 (b) their existing books, records and business forms and (c) their existing investment policy; and
9 (ii) waiving the requirements of section 345(b) of the Bankruptcy Code, and, in support thereof,
10 respectfully represent as follows:

11 LEGAL MEMORANDUM

12 I. Background

13 1. The Debtors commenced these chapter 11 cases on July 28, 2009 (the
14 “Petition Date”). SCI and its non-debtor subsidiaries (collectively, the “Station Group”) constitute
15 a gaming entertainment enterprise that owns and operates under the “Station” and “Fiesta” brand
16 names ten major hotels/casinos (two of which are 50% owned) and eight smaller casinos (three of
17 which are 50% owned) in the Las Vegas metropolitan area. The Station Group owns ten of the
18 hotels/casinos’ underlying real property in fee and leases the underlying real property for Texas
19 Station Gambling Hall & Hotel (“Texas Station”), Wild Wild West Gambling Hall & Hotel
20 (“Wild Wild West”), Barley’s Casino & Brewing Company (“Barley’s”), and The Greens Gaming
21 and Dining (“The Greens”). Debtor FCP PropCo, LLC (“FCP PropCo”) owns the underlying real
22 estate for Palace Station Hotel & Casino (“Palace Station”), Sunset Station Hotel & Casino
23 (“Sunset Station”) and Red Rock Casino Resort Spa (“Red Rock”). FCP PropCo owns a portion
24 of the underlying real property for Boulder Station Hotel & Casino (“Boulder Station”) and also
25

26 ¹ The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC,
27 River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP VoteCo, LLC, Fertitta Partners LLC,
28 Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower
VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV,
LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC,
and FCP PropCo, LLC.

1 leases a portion of Boulder Station's underlying real property. Station California, LLC ("Station
2 California"), a non-debtor subsidiary of SCI, manages a casino for a Native American tribe. As of
3 July 17, 2009, the Station Group had approximately 13,174 employees, and the Debtors had
4 approximately 663 employees.

5 2. The Station Group owns and operates: (i) Palace Station, (ii) Boulder
6 Station, (iii) Texas Station, (iv) Sunset Station, (v) Santa Fe Station Hotel & Casino, (vi) Red
7 Rock, (vii) Fiesta Rancho Casino Hotel, (viii) Fiesta Henderson Casino Hotel, (ix) Wild Wild
8 West, (x) Wildfire Casino, (xi) Wildfire Casino – Boulder Highway, formerly known as Magic
9 Star Casino, (xii) Gold Rush Casino, and (xiii) Lake Mead Casino.

10 3. The Station Group also holds a 50% interest in the non-debtor entities that
11 own and operate: (i) Green Valley Ranch Resort Spa Casino ("Green Valley Ranch"), (ii) Aliante
12 Station Casino & Hotel ("Aliante Station"), (iii) Barley's, (iv) The Greens, and (v) Wildfire
13 Casino & Lanes, formerly known as Renata's Casino.

14 4. As of June 30, 2009 and based on a general ledger book value, the Debtors
15 owned assets valued in the aggregate in excess of approximately \$5.7 billion and had debt and
16 other liabilities of approximately \$6.5 billion.

17 5. SCI is a privately held company whose shares are held by Debtors Fertitta
18 Partners LLC, FCP Holding, Inc. and FCP VoteCo, LLC. FCP MezzCo Parent, LLC, FCP
19 MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC,
20 FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III,
21 LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC
22 (collectively, the "CMBS Debtors"), as well as Northern NV Acquisitions, LLC, Reno Land
23 Holdings, LLC, River Central, LLC and Tropicana Station, LLC, are all either direct or indirect
24 wholly owned subsidiaries of SCI.

25 6. SCI, as borrower, Deutsche Bank Trust Company Americas ("DBTCA"), as
26 administrative agent (in such capacity and in its capacity as collateral agent under the Prepetition
27 Loan Documents (defined below), together with its successors and assigns, the "Prepetition
28 Agent") and a lender, the other lenders from time to time party thereto (together with DBTCA, the

1 “Prepetition Lenders”), are party to that certain Credit Agreement, dated as of November 7, 2007
2 (as amended, amended and restated, supplemented, or otherwise modified through the date hereof,
3 the “Prepetition Loan Agreement”). Capitalized Terms used but not defined herein are used as
4 defined in the Prepetition Loan Agreement.

5 7. Certain non-debtor wholly owned subsidiaries of SCI listed on Schedule 1
6 (the “Guarantors” and together with SCI, the “Loan Parties”, and collectively with the Holding
7 Companies, the “Credit Parties”) have irrevocably guaranteed on a joint and several basis all of
8 the Prepetition Obligations (as defined below) owed by SCI pursuant to the Guaranty Agreement,
9 dated as of November 7, 2007, made by the Guarantors in favor of the Prepetition Agent. The
10 Guarantors are not liable for and have not guaranteed any other third party indebtedness issued by
11 SCI.

12 8. On July 28, 2009, the Credit Parties, the Prepetition Agent and certain of
13 the Prepetition Lenders entered into a Second Forbearance Agreement; and Second Amendment to
14 the Credit Agreement (as it may hereafter be amended, supplemented or otherwise modified from
15 time to time in accordance with the terms thereof, the “Forbearance Agreement”) pursuant to
16 which the Prepetition Agent and the Prepetition Lenders have agreed (subject to the terms thereof)
17 to (i) forbear from exercising their default-related rights, remedies, powers and privileges against
18 the Guarantors, solely with respect to certain Specified Defaults (as defined in the Forbearance
19 Agreement), and (ii) amend certain provisions of the Prepetition Loan Agreement. The
20 Forbearance Agreement remains in full force and effect, enforceable on a postpetition basis by all
21 parties thereto, pursuant to its terms.

22 9. Of SCI’s Unrestricted Subsidiaries (including CV HoldCo, LLC (“CV
23 HoldCo”) and CV PropCo, LLC (“CV PropCo”)) and Joint Ventures named on Schedule 2 hereto,
24 none are currently guarantors under the Guaranty of the Prepetition Loan Agreement and only
25 Reno Land Holdings, LLC and Northern NV Acquisitions, LLC have commenced chapter 11
26 cases.

27 10. Certain of the CMBS Debtors issued a mortgage loan (the “CMBS
28 Mortgage Loan”) and related mezzanine financings (the “CMBS Mezzanine Financings”) in the

1 aggregate principal amount of \$2.475 billion (the “CMBS Loans”). The CMBS Loans are
 2 collateralized by substantially all fee and leasehold real property comprising Palace Station,
 3 Boulder Station, Sunset Station, and Red Rock (collectively, the “CMBS Properties”).

4 11. Filed concurrently herewith, and incorporated herein by reference, is the
 5 Omnibus Declaration of Thomas M. Friel in Support of the Debtors’ Chapter 11 Petitions and
 6 First Day Motions (the “Friel Declaration”), which contains more detail on the Debtors’ assets,
 7 liabilities, equity ownership, business operations and business plans.

8 **II. Jurisdiction and Venue**

9 12. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§
 10 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is
 11 a core proceeding pursuant to 28 U.S.C. § 157(b).

12 **III. Relief Requested**

13 13. The Debtors seek an order (i) authorizing the Debtors to maintain and
 14 continue to use, without interruption, (a) their existing cash management systems, including
 15 existing bank accounts, (b) their existing books, records and business forms and (c) their existing
 16 investment policy; and (ii) waiving the requirements of section 345(b) of the Bankruptcy Code.

17 **IV. The Cash Management Systems**

18 14. The Station Group is subject to gaming and other regulations in the states in
 19 which it operates. To facilitate the efficient operation of the Station Group’s casino, hotel and
 20 entertainment enterprise, in the ordinary course of business, SCI historically maintained a single
 21 cash management system for the entire Station Group, which was designed to seamlessly collect,
 22 transfer, and disburse funds generated by the operations of the Station Group. Recently, SCI
 23 bifurcated the legacy cash management system into two (2) distinct systems. As a consequence,
 24 SCI now maintains its own cash management system (the “SCI Cash Management System”) and
 25 Past Enterprises, Inc. (“Past Enterprises”), a Guarantor and a wholly owned non-debtor subsidiary
 26 of SCI, maintains a second cash management system (the “Non-Debtor Cash Management
 27 System”) for the Guarantors.

1 15. Under this bifurcated approach, SCI continues to manage cash for itself and
2 the Unrestricted Subsidiaries through the use of the SCI Cash Management System, while Past
3 Enterprises separately manages the cash generated by the operations of the Guarantors through the
4 use of the Non-Debtor Cash Management System.²

5 16. Pursuant to the DIP Financing Order, Vista Holdings LLC (“Vista”), a non-
6 debtor Unrestricted Subsidiary of SCI, will lend from time to time up to an aggregate principal
7 amount of \$150,000,000 to SCI (the “Postpetition Financing”) in accordance with the terms
8 hereof and the “DIP Credit Agreement” defined in the DIP Financing Order. SCI shall, in turn,
9 use the proceeds of the Postpetition Financing to fund the SCI Cash Management System. The
10 SCI Cash Management System will be the only source of postpetition funding for the other
11 Debtors, the Unrestricted Subsidiaries and the Joint Ventures to satisfy disbursements permitted
12 under the “Budget” defined in the DIP Financing Order. Without limiting Vista’s commitment to
13 make loans to SCI to fund certain disbursements, Past Enterprises may also from time to time
14 after Vista has reduced its available cash to \$100,000,000 through funding of Postpetition
15 Financings to SCI, transfer cash to SCI, to the extent available, in such amounts as SCI shall
16 determine to be necessary (but in each case subject to the Budget) to pay administrative
17 obligations of the Debtors during the pendency of the chapter 11 cases and to fund operating cash
18 requirements of the Drop Down Borrowers (as defined in the DIP Financing Order) and to fund
19 the CV PropCo Payments (as defined in the DIP Financing Order). During the pendency of the
20 chapter 11 cases, all cash proceeds of operations of the Guarantors that are not retained at each
21 Guarantor will be concentrated in the Past Enterprises’ concentration account and will be subject
22 to the liens of the Prepetition Agent. Past Enterprises will serve the treasury function for the
23
24

25 ² SCI is concurrently moving for entry of the Interim Order Pursuant To 11 U.S.C. §§ 105, 361, 362, 363, 364
26 and 552 and Fed. R. Bankr. P. Rule 4001(B), (C) and (D) (I) Authorizing The Debtors To (A) Use Cash
27 Collateral; (B) Obtain Unsecured, Subordinated Post-Petition Financing; (C) Make Loans To Non-Debtor
28 Subsidiaries, (II) Granting Adequate Protection To Prepetition Secured Parties, (III) Granting Related Relief,
And (IV) Scheduling Final Hearing (the “DIP Financing Order”). The DIP Financing Order and its
associated motion more fully explain and authorize the allocation of spending responsibility under the
bifurcated cash management system, including cash handling mechanics between SCI, Vista Holdings, LLC
and Past Enterprises and operational funding responsibility.

1 Guarantors that was served by SCI prior to the Petition Date, and will fund disbursements required
2 to be made by or for the account of the Guarantors.

3 **A. The SCI Cash Management System**

4 17. Overview. SCI's corporate accounting managers and senior corporate
5 accounting managers are responsible for the cash management process. Senior Corporate
6 Accounting Managers include the Director of Treasury, Corporate Director of Accounting,
7 Director of Financial Responsibility and Vice President of Finance. SCI uses a system of bank
8 accounts that concentrate in a concentration account to manage its cash. The following
9 paragraphs generally describe the SCI Cash Management System.

10 18. Centralization of Funds. SCI maintains a set of accounts including, among
11 others: a depository/concentration account, an overnight investment account, a health insurance
12 account, a workers' compensation account, a payroll account, and an accounts payable account.
13 With the exception of the depository/concentration account, most of these accounts are "zero-
14 balance" accounts that, as checks or deposits clear, fund to or from SCI's concentration account.

15 19. Account Functions. The functions of SCI's bank accounts may be
16 generally described as follows:

- 17 a. Concentration Account. This depository and concentration account is the
18 central account for SCI's cash management system. This account holds
19 cash and supplies cash to all zero-balance accounts. Any deposits or wires
20 are made directly to or from this account.
- 21 b. Overnight Investment Account (Deutsche Bank Trust Company as
22 Collateral Account). This account is an overnight investment money
23 market account. Depending on SCI's daily cash flow needs, SCI either
24 draws down from or deposits funds into this account. With respect to funds
25 on deposit in this account, SCI has instructed its bank to only invest funds
26 in financial instruments qualifying as cash or cash equivalents.
- 27 c. Health Account – Benefit Planners. This account represents outstanding
28 paid health insurance claim checks and always maintains a credit balance.

Funds are automatically transferred from the concentration account on a daily basis through SCI's controlled disbursement process.

- d. Workers' Compensation Account. SCI is self-insured for workers' compensation up to \$350,000 per claim. This account represents a reserve for workers' compensation claims that fall within this threshold.
- e. Payroll Account. This account is used to process payroll checks and direct deposit payments. Payroll checks are issued from this account on a biweekly basis to all employees. This is a zero-balance account.
- f. Accounts Payable Account. This account is used to process purchase order items and non-purchase order items. The purchase order items process can start with the receipt of goods and a vendor invoice. The non-purchase order items process can start with the receipt of a vendor invoice or an internally generated document, such as a check request or team member expense report. This is a zero-balance account.

20. Deposits to the Concentration Account. After regular balancing procedures are carried out at SCI, a daily deposit to the depository/concentration account is prepared for incoming payments received and any excess cash not needed for daily activity.

21. Disbursements. When the Debtors receive invoices, the invoices are approved by the requisite department head and forwarded to the applicable accounts payable department. Once accounts payable receives the invoice, a check is processed and signed by certain authorized signatories. The system of disbursement by wire transfer and checks may be generally described as follows:

- a. Wire Transfers. All wire transfers are made directly from SCI's depository/concentration account. Only Corporate Accounting is authorized to perform wire transfers. To process a wire transfer, the Corporate Treasury Manager in charge of cash management ("Treasury Manager") "initiates" the wire transfer within the bank's online wire transfer system. Before the wire transfer is sent, the Treasury Manager will

1 print out a confirmation slip with the relevant wire transfer information.

2 The Treasury Manager then has the Vice President of Finance, Director of
3 Financial Reporting or Director of Treasury sign the confirmation slip
4 evidencing approval to process the wire. To send the wire transfer, it must
5 be “released” within its bank’s online wire transfer system by someone
6 other than the Treasury Manager or “initiator.” The Director of Financial
7 Reporting and Director of Treasury are the wire transfer system account
8 administrators. They have the authority to set up Treasury Managers to
9 initiate and release wires. The bank’s online wire transfer system does not
10 permit the same Treasury Manager to both initiate and release a wire (if a
11 Treasury Manager is set up to perform both functions).

- 12 b. Checks. Checks are processed by accounts payable upon its receipt of an
13 approved invoice. SCI utilizes the Positive Pay system of Bank of
14 America, N.A. (“BofA”) to help prevent unauthorized payroll, accounts
15 payable, health insurance and workers’ compensation checks from clearing
16 the bank. BofA’s Positive Pay system works as follows:

17 At the end of each day, SCI transmits an electronic file to BofA for
18 any payroll and accounts payable checks generated that day. For health
19 insurance and workers’ compensation, each third-party administrator
20 transmits an electronic file to BofA for any checks generated that day. If a
21 check is presented to BofA (i) that has not been included on a transmission
22 or (ii) whose amount does not equal the transmission data, BofA will not
23 pay it, unless it is approved by SCI.

24 BofA’s website contains an exception report of any checks that have
25 not been paid. The Treasury Manager is responsible for researching any
26 checks appearing on the exception report. Each morning the Treasury
27 Manager accesses SCI’s bank accounts through BofA’s website. If there
28 are any checks listed on the exception report, the Treasury Manager will

1 research them to determine if they should be paid. If they are not valid
2 checks, the Treasury Manager will advise BofA not to pay them.

3 Both valid and invalid checks appearing on the exception report are
4 investigated to determine why they appeared. Historically, the number of
5 checks appearing on the exception reports is small, usually involving
6 interim payroll checks being cashed the same day. Occasionally, a large
7 volume of checks will appear which is usually the result of a problem with
8 the electronic transmission. In these cases, the Treasury Manager will
9 contact the internet technology department to investigate and possibly
10 re-transmit the file.

11 22. Excess Cash and Cash Deficits. The Treasury Manager prepares a Daily
12 Cash Report to ascertain SCI's daily cash position and this report is reviewed by the Vice
13 President of Finance or Director of Treasury each day. If the Vice President of Finance or
14 Director of Treasury determines there will not be enough cash in SCI's depository/concentration
15 account, he/she will verbally authorize a drawdown on the overnight investment account or
16 borrow against SCI's corporate credit facility. To draw down on the overnight investment
17 account, Senior Corporate Accounting Management accesses the account by telephone and
18 completes the required information.

19 23. If a cash surplus is projected, it is invested in the overnight investment
20 account. To make an overnight investment, senior corporate accounting management accesses the
21 overnight investment account by telephone and completes the required information. In the case of
22 either a drawdown or investment in the overnight investment account, a confirmation slip is
23 printed and forwarded to the Treasury Manager who verifies its information to the Previous Day
24 Summary and Detail Report received the following day from the bank that holds the overnight
25 investment account (the "Investment Account Bank"). With respect to overnight investments, SCI
26 has instructed the Investment Account Bank to only invest funds in financial instruments
27 qualifying as cash or a cash equivalent.
28

24. General Balance Sheet Account Reconciliation Process. The Debtors have a formal and extensive balance sheet account reconciliation process. A balance sheet account assignment log is maintained. Each balance sheet account is required to be reconciled every month by the assigned Treasury Manager and reviewed by a senior accounting management Treasury Manager at least semiannually. SCI's Financial Internal Audit group maintains an audit plan to ensure that all balance sheet account reconciliations are audited annually. Their findings are reported to the Vice President of Internal Audit and Vice President of Finance and other applicable senior management. All cash accounts are reconciled monthly and most cash account reconciliations are reviewed by Senior Accounting Management on a monthly basis.

25. SCI's depository/concentration account is reconciled on a daily basis. The account reconciliation supporting documentation consists of the Cash Deposit Summary Report, Previous Day Summary and Detail Report, Current Day Controlled Disbursement Presentment Report, Bi-weekly Payroll, wire transfer back-up, and other related supporting documentation. The account reconciliation supporting documentation for SCI's overnight investment account consists of the signed transaction printouts, the monthly Excel spreadsheet documenting the activity, interest accrual, and the monthly bank securities statement.

26. The SCI Cash Management System facilitates the Debtors' cash forecasting and reporting, monitoring of the collection and disbursement of funds and administration of their numerous bank accounts (the "SCI Bank Accounts").³ Any disruption of the SCI Cash Management System would be costly, divert essential administrative and managerial resources at the outset of these cases, and be extremely detrimental to maintaining the Debtors' ongoing operations in the transition to chapter 11.

B. The Non-Debtor Cash Management System

27. The Non-Debtor Cash Management System operated through a concentration account at Past Enterprises will provide the Guarantors with a treasury function that replicates the treasury function that SCI previously provided to the Guarantors and that SCI continues to provide to the other Debtors and the Unrestricted Subsidiaries. SCI will continue to

³ The SCI Bank Accounts are located at various banks and are listed on the chart attached hereto as Exhibit A.

1 provide certain centralized functions, such as group purchasing, insurance, employee benefits,
2 central reservations, customer affinity programs and progressive games, for which SCI will be
3 reimbursed by the Guarantors through Past Enterprises. The costs and obligations that the
4 Debtors intend to cause to be paid by Past Enterprises from the Non-Debtor Cash Management
5 System, consist of the following Budget line items: (i) the "Operating Disbursements" line items
6 in the Budget identified as: "Payroll and Taxes / Benefits," "Advertising / Marketing /
7 Entertainment," "Gaming Fees and Taxes," "Maintenance / Utilities," "Food and Beverage," and
8 "Other" and (ii) the "Non-Operating Disbursements" line items in the Budget identified as:
9 "Capital Expenditures," "Required Deposits" and "Other (Shell Gas Deposit)" (the line items
10 identified in clauses (i) and (ii) being the "Excluded Line Items"). The Excluded Line Items
11 generally fall into the categories that follow:

- 12 a. employee benefits plans and compensation,
- 13 b. certain group purchases including, without limitation, with respect to the
14 purchase of food and beverage products,
- 15 c. customer programs,
- 16 d. insurance coverage (including workers' compensation, directors' and
17 officers' liability, and various other liability, property, and automobile
18 insurance programs) with respect to the property and operations of the
19 Guarantors,
- 20 e. gaming equipment,
- 21 f. rental payments made pursuant to the: (i) ground lease between Texas
22 Station, LLC and Texas Gambling Hall & Hotel, Inc., as amended; (ii)
23 Office/Warehouse Lease Agreement between SCI and JHS, LLC, as
24 amended; and (iii) lease between J.A. Tiberti Construction Company and
25 Tropicana Station, Inc., as amended,
- 26 g. marketing and promotional expenses,
- 27 h. information technology services,
- 28

- i. management and development services for Native American tribes or gaming facilities owned or operated by Native American tribes,
- j. certain consulting fees, including, but not limited to (i) fees incurred in connection with the retention of Sentinel Advisors to perform property tax consulting and related services; and (ii) fees incurred in connection with the retention of Kimley-Horn and Associates, Inc. to perform traffic consulting and related services, and
- k. costs incurred in connection with development activity, and costs incurred in connection with copier maintenance services performed on behalf of the Station Group by Toshiba Business Solutions and other servicing companies, including certain costs incurred for the provision of information technology services to SCI.

C. Certain Payments to Past Enterprises

28. After giving effect to the bifurcation, payment in respect of certain costs and obligations began to be made, and is expected to continue to be made during the pendency of these chapter 11 cases, through the Non-Debtor Cash Management System. However, in the event that SCI's non-debtor subsidiaries experience a liquidity shortfall during the pendency of these chapter 11 cases and SCI believes that the funds concentrated in the Non-Debtor Cash Management System are insufficient to meet the current or projected obligations of such non-debtor subsidiaries, then SCI may determine to make one or more unsecured subordinated loans to Past Enterprises in the aggregate amount that SCI believes is necessary to address any such liquidity deficit, as authorized and more fully described in the DIP Financing Order.

V. CMBS Cash Management System and CMBS Bank Accounts⁴

29. Overview. The CMBS Debtors maintain a cash management system (the "CMBS Cash Management System"), separate from the SCI Cash Management System and the Non-Debtor Cash Management System, as required by the definitive documentation governing the

⁴ Capitalized terms used but not defined in Section V shall have the meanings ascribed to such terms in the CMBS Loan Documentation (defined below).

1 CMBS Loans (the “CMBS Loan Documentation”). The CMBS Cash Management System was
2 created to provide the lenders making the CMBS Mortgage Loan (the “CMBS Mortgage Lender”)
3 and the CMBS Mezzanine Loans (each, a “Mezzanine Lender” and for each level of mezzanine
4 financing, the “Mezzanine Lender (First Mezzanine)”, the “Mezzanine Lender (Second
5 Mezzanine)”, the “Mezzanine Lender (Third Mezzanine)” and the “Mezzanine Lender (Fourth
6 Mezzanine)”) to the CMBS Debtors (the “CMBS Lenders”) with additional security in connection
7 with the CMBS Loans.

8 30. In accordance with the CMBS Loan Documentation for the CMBS
9 Mortgage Loan, the CMBS Debtors established a holding account (the “Holding Account”) and
10 subaccounts (collectively, the “CMBS Mortgage Loan Accounts”) with HSBC Bank USA, N.A.,
11 as the cash management bank (the “CMBS Cash Management Bank”). In addition, under the
12 CMBS Loan Documentation for the CMBS Mezzanine Loans, the CMBS Debtors for each level
13 of mezzanine financing (each, a “First Mezzanine Loan,” “Second Mezzanine Loan,” “Third
14 Mezzanine Loan,” and “Fourth Mezzanine Loan”) established a mezzanine account and an
15 additional mezzanine debt service reserve account (the “Mezzanine Accounts”).

16 31. Control of the Accounts. The CMBS Debtors have granted to the CMBS
17 Mortgage Lender a first priority security interest in and have authorized the CMBS Mortgage
18 Lender to exercise exclusive control of the CMBS Mortgage Loan Accounts, and the CMBS
19 Debtors have granted to the Mezzanine Lenders a first priority security interest in and have
20 authorized the Mezzanine Lenders to exercise exclusive control over the Mezzanine Accounts (the
21 CMBS Mortgage Loan Accounts and the Mezzanine Loan Accounts are, collectively, the “CMBS
22 Bank Accounts”). The CMBS Debtors anticipate that all cash collateral will be retained under the
23 control of the CMBS Mortgage Lenders in the CMBS Mortgage Loan Accounts and that no cash
24 collateral will be permitted to flow to the Mezzanine Accounts during the pendency of the CMBS
25 Debtor bankruptcy cases.

26 32. CMBS Account Functions. The functions of the CMBS Bank Accounts
27 may be generally described as follows:
28

- 1 a. Holding Account: The Holding Account is funded by monthly rent
2 payments under the Master Lease received from SCI, additional charges
3 payable by SCI under the Master Lease and amounts payable by FCP
4 PropCo under the interest rate swap agreement entered into in connection
5 with the CMBS Loans (the “Swap Agreement”); in addition, any amounts
6 payable to FCP PropCo under the interest rate cap agreement for the CMBS
7 Mortgage Loan are to be deposited into the Holding Account. Amounts on
8 deposit in the Holding Account are transferred to the Tax Reserve Account,
9 the Insurance Reserve Account, the Ground Rent Reserve Account, the
10 Debt Service Reserve Account, the Master Lease Rent Shortfall Reserve
11 Account, the Proceeds Reserve Account, the Swap Payment Account, the
12 First Mezzanine Debt Service Reserve Account, the Second Mezzanine
13 Debt Service Reserve Account, the Third Mezzanine Debt Service Reserve
14 Account and the Fourth Mezzanine Debt Service Reserve Account (the
15 “Sub-Accounts”), as provided in the CMBS Loan Documentation for the
16 CMBS Mortgage Loan.
- 17 b. Tax Reserve Account: Funds in this account are used to pay taxes assessed
18 against the CMBS Properties.
- 19 c. Insurance Reserve Account: Funds in this account are used to pay any
20 insurance premiums on insurance policies that the CMBS Debtors are
21 required to maintain in accordance with the CMBS Loan Documentation.
- 22 d. Ground Rent Reserve Account: Funds in this account are used to pay
23 amounts due under the ground lease and sublease between Boulder Station,
24 Inc. and KB Enterprises, as amended.
- 25 e. Debt Service Reserve Account: This account contains funds used to pay
26 scheduled interest payments under the CMBS Mortgage Loan.
- 27
28

- 1 f. Master Lease Rent Shortfall Reserve Account: This account contains funds
2 that are used in the event of a shortfall in the Holding Account with respect
3 to all or any portion of the amounts payable by SCI under the Master Lease.
- 4 g. Proceeds Reserve Account: This account is used to hold funds that FCP
5 PropCo may receive in connection with any casualty or other damage to
6 any of the CMBS Properties or any taking by a governmental authority as a
7 result of or in lieu of the exercise of the right of condemnation or eminent
8 domain with respect to all or a portion of the CMBS Properties in
9 accordance with the CMBS Loan Documentation.
- 10 h. Swap Payment Account: This account contains funds used to pay any
11 amounts due to the swap counterparty under the Swap Agreement,
12 including any breakage charges or amounts FCP PropCo may owe in
13 connection with the full or partial termination of the Swap Agreement.
- 14 i. First Mezzanine Debt Service Reserve Account: This account contains
15 funds used to pay interest payments (and repay principal on the maturity
16 date) under the (i) Amended and Restated First Mezzanine Note A-1, dated
17 as of March 19, 2008, made by FCP MezzCo Borrower I, LLC, in the
18 principal amount of \$125,000,000 and (ii) Amended and Restated First
19 Mezzanine Note A-2, dated as of March 19, 2008, made by FCP MezzCo
20 Borrower I, LLC, in the principal amount of \$75,000,000 (“First Mezzanine
21 Debt”).
- 22 j. First Mezzanine Account: Funds in the First Mezzanine Debt Service
23 Reserve Account are transferred to the First Mezzanine Account which is
24 security for the First Mezzanine Loan. Funds in the First Mezzanine
25 Account are transferred to pay (i) any advances pursuant to the terms of the
26 CMBS Loan Documentation (“Protective Advances”) made by the
27 Mezzanine Lender (First Mezzanine), (ii) First Mezzanine Debt interest
28 payments (“Debt Service (First Mezzanine)”) for the next occurring interest

1 payment date, (iii) any amounts for any prior months not previously paid,
 2 and (iv) any other amounts deducted from this account in any preceding
 3 months to pay other amounts then due under the CMBS Loan

4 Documentation for the First Mezzanine Loan. Protective Advances,
 5 payments for prior months not previously paid, and sums deducted from
 6 this account in any preceding month to pay any other amounts then due
 7 under the CMBS Loan Documentation are transferred to the Mezzanine
 8 Lender (First Mezzanine). In addition, any amounts that FCP MezzCo
 9 Borrower I, LLC is entitled to receive pursuant to the Interest Rate Cap
 10 Agreement (First Mezzanine) it entered into pursuant to the CMBS Loan
 11 Documentation for the First Mezzanine Loan are deposited in this account.

12 k. Mezzanine Debt Service Reserve Account (First Mezzanine): This is a sub-
 13 account of the First Mezzanine Account. Funds representing unpaid Debt
 14 Service (First Mezzanine) for the next occurring interest payment date are
 15 transferred to this account and applied for the payment of Debt Service
 16 (First Mezzanine).

17 l. Second Mezzanine Debt Service Reserve Account: This account contains
 18 funds used to pay interest payments (and payments of principal on the
 19 maturity date) under the (i) Amended and Restated Second Mezzanine Note
 20 A-1, dated as of March 19, 2008, made by FCP MezzCo Borrower II, LLC,
 21 in the principal amount of \$109,375,000 and (ii) Amended and Restated
 22 Second Mezzanine Note A-2, dated as of March 19, 2008, made by FCP
 23 MezzCo Borrower II, LLC, in the principal amount of \$65,625,000
 24 (“Second Mezzanine Debt”).

25 m. Second Mezzanine Account: Funds in the Second Mezzanine Debt Service
 26 Reserve Account are transferred to the Second Mezzanine Account which is
 27 security for the Second Mezzanine Loan. Funds in the Second Mezzanine
 28 Account are transferred to pay (i) any Protective Advances made by the

Mezzanine Lender (Second Mezzanine), (ii) Second Mezzanine Debt interest payments (“Debt Service (Second Mezzanine)”) for the next occurring interest payment date, (iii) any amounts for any prior months not previously paid, and (iv) any other amounts deducted from this account in any preceding months to pay other amounts then due under the CMBS Loan Documentation for the Second Mezzanine Loan. Protective Advances, payments for prior months not previously paid, and sums deducted from this account in any preceding month to pay any other amounts then due under the CMBS Loan Documentation are transferred to the Mezzanine Lender (Second Mezzanine). In addition, any amounts that FCP MezzCo Borrower II, LLC is entitled to receive pursuant to the Interest Rate Cap Agreement (Second Mezzanine) it entered into pursuant to the CMBS Loan Documentation for the Second Mezzanine Loan are deposited in this account.

n. Mezzanine Debt Service Reserve Account (Second Mezzanine): This is a sub-account of the Second Mezzanine Account. Funds representing unpaid Debt Service (Second Mezzanine) for the next occurring interest payment date are transferred to this account and applied for the payment of Debt Service (Second Mezzanine).

o. Third Mezzanine Debt Service Reserve Account: This account contains funds used to pay interest payments (and repay principal on the maturity date) under the (i) Amended and Restated Third Mezzanine Note A-1-a, dated as of March 19, 2008, made by FCP MezzCo Borrower III, LLC, in the principal amount of \$55,312,500; (ii) Amended and Restated Third Mezzanine Note A-1-b, dated as of March 19, 2008, made by FCP MezzCo Borrower III, LLC, in the principal amount of \$38,437,500; (iii) Amended and Restated Third Mezzanine Note A-2-a, dated as of March 19, 2008, made by FCP MezzCo Borrower III, LLC, in the principal amount of

\$33,187,500; and (iv) Amended and Restated Third Mezzanine Note A-2-b, dated as of March 19, 2008, made by FCP MezzCo Borrower III, LLC, in the principal amount of \$23,062,500 (“Third Mezzanine Debt”).

p. Third Mezzanine Account: Funds in the Third Mezzanine Debt Service Reserve Account are transferred to the Third Mezzanine Account which is security for the Third Mezzanine Loan. Funds in the Third Mezzanine Account and transferred to pay (i) any Protective Advances made by Mezzanine Lender (Third Mezzanine), (ii) Third Mezzanine Debt interest payments (“Debt Service (Third Mezzanine)”) for the next occurring interest payment date, (iii) any amounts for any prior months not previously paid, and (iv) any other amounts deducted from this account in any preceding months to pay other amounts then due under the CMBS Loan Documentation for the Third Mezzanine Loan. Protective Advances, payments for prior months not previously paid, and sums deducted from this account in any preceding month to pay any other amounts then due under the CMBS Loan Documentation are transferred to the Mezzanine Lender (Third Mezzanine). In addition, any amounts that FCP MezzCo Borrower III, LLC is entitled to receive pursuant to the Interest Rate Cap Agreement (Third Mezzanine) it entered into pursuant to the CMBS Loan Documentation for the Third Mezzanine Loan are deposited in this account.

q. Mezzanine Debt Service Reserve Account (Third Mezzanine): This is a sub-account of the Third Mezzanine Account. Funds representing unpaid Debt Service (Third Mezzanine) for the next occurring interest payment date are transferred to this account and applied for the payment of Debt Service (Third Mezzanine).

r. Fourth Mezzanine Debt Service Reserve Account: This account contains funds used to pay interest payments (and repay principal on the maturity date) under the (i) Fourth Mezzanine Note A-1-a, dated as of March 19,

2008, made by FCP MezzCo Borrower IV, LLC, in the principal amount of \$46,875,000; (ii) Fourth Mezzanine Note A-1-b, dated as of March 19, 2008, made by FCP MezzCo Borrower IV, LLC, in the principal amount of \$46,875,000; (iii) Fourth Mezzanine Note A-2-a, dated as of March 19, 2008, made by FCP MezzCo Borrower IV, LLC, in the principal amount of \$28,125,000; and (iv) Fourth Mezzanine Note A-2-b, dated as of March 19, 2008, made by FCP MezzCo Borrower IV, LLC, in the principal amount of \$28,125,000 (“Fourth Mezzanine Debt”).

s. Fourth Mezzanine Account: Funds in the Fourth Mezzanine Debt Service Reserve Account are transferred to the Fourth Mezzanine Account which is security for the Fourth Mezzanine Loan. Funds in the Fourth Mezzanine account are transferred to pay (i) any Protective Advances made by Mezzanine Lender (Fourth Mezzanine), (ii) Fourth Mezzanine Debt interest payments (“Debt Service (Fourth Mezzanine)”) for the next occurring interest payment date, (iii) any amounts for any prior months not previously paid, and (iv) any other amounts deducted from the Fourth Mezzanine Account in any preceding months to pay other amounts then due under the CMBS Loan Documentation for the Fourth Mezzanine Loan. Protective Advances, payments for prior months not previously paid, and sums deducted from this account in any preceding month to pay any other amounts then due under the CMBS Loan Documentation are transferred to the Mezzanine Lender (Fourth Mezzanine). In addition, any amounts that FCP MezzCo Borrower IV, LLC is entitled to receive, with respect to the Interest Rate Cap Agreement (Fourth Mezzanine) it was required to enter into pursuant to the CMBS Loan Documentation for the Fourth Mezzanine Loan, are deposited in this account.

t. Mezzanine Debt Service Reserve Account (Fourth Mezzanine): This is a sub-account of the Fourth Mezzanine Account. Funds representing unpaid

1 Debt Service (Fourth Mezzanine) for the next occurring interest payment
2 date are transferred to this account and applied for the payment of Debt
3 Service (Fourth Mezzanine).

4 33. Funding of Holding Account FCP PropCo receives monthly rent payments
5 from SCI, pursuant to the Master Lease, which are collected in the Holding Account. In addition,
6 scheduled additional charges payable by SCI under the Master Lease and amounts payable by
7 FCP PropCo under the Swap Agreement and any amounts payable to FCP PropCo under the
8 interest rate cap agreement for the CMBS Mortgage Loan are paid into the Holding Account.

9 34. Transfers to Sub-Accounts. FCP PropCo has previously authorized the
10 CMBS Lenders to transfer from the Holding Account certain amounts into the Sub-Accounts. In
11 addition, each Mezzanine Lender is required to deliver a notice to the CMBS Lenders setting forth
12 the amount required to be deposited into such Mezzanine Lender's mezzanine debt service reserve
13 account for such mezzanine loan. The amounts in each of the mezzanine debt service reserve
14 accounts created under the CMBS Loan Documentation are then transferred to the applicable
15 mezzanine account.

16 VI. Existing Business Forms and Records

17 35. In the ordinary course of their business, the Debtors use preprinted business
18 forms (the "Business Forms") such as checks, invoices, stationery, letterhead, casino markers,
19 chips and other similar items. The Debtors also maintain books and records to document, among
20 other things, their profits and expenses (collectively, the "Records"). If the Debtors were required
21 to comply with the Office of the United States Trustee's "Operating Guidelines and Financial
22 Reporting Requirements Required in All Cases Under Chapter 11" (the "Guidelines") as to the
23 SCI Bank Accounts, CMBS Bank Accounts, Business Forms, and Records, their operations could
24 be harmed by the disruption, confusion, delay, and cost that could result from the closure of the
25 SCI Bank Accounts, the CMBS Bank Accounts, the opening of new accounts, new books and
26 records, and the printing of new business forms with a "Debtor in Possession" designation on
27 them.

28 VII. Investment Practices and Unauthorized Depository Accounts

1 36. As explained above, as part of the SCI Cash Management System, the
2 Debtors keep all of their operating cash in depository/concentration accounts from which excess
3 cash is then transferred to investment accounts. Excess cash may, among other things, be (i) used
4 to pay down SCI's corporate credit facility, or (ii) invested in financial instruments qualifying as
5 cash or a cash equivalent. The Debtors do not invest cash other than in this fashion. Because the
6 Debtors believe that the investment practices (the "Investment Practices"), as described in this
7 Motion, provide the protection contemplated by the "corporate surety" requirement of the
8 Bankruptcy Code, the Debtors seek a waiver of the requirements of section 345(b) of the
9 Bankruptcy Code.

10 37. The Debtors' investment practices are conducted through Banc of America
11 Securities LLC ("BAS"). BAS is not on the US Trustee's list of approved depositories. SCI
12 holds an overnight investment money market account at BAS. The name on the account is
13 Deutsche Bank Trust Company as Collateral Account. The average amount invested in the
14 account is approximately \$10.8M. Depending on the Debtors' daily cash flow needs, SCI either
15 draws down from or deposits funds into this account. SCI has instructed BAS to only invest funds
16 in financial instruments qualifying as cash or cash equivalents.

17 38. BAS is a subsidiary of Bank of America. BAS is 100% owned by Banc of
18 America Securities Holdings Corporation, which is a wholly owned subsidiary of NB Holdings
19 Corporation. NB Holdings Corporation is wholly owned by Bank of America Corporation. BAS
20 is registered as a broker-dealer and as an investment advisor with the SEC. BAS is a member of
21 the Financial Industry Regulatory Authority New York Stock Exchange, and the National
22 Association of Securities Dealers. BAS is registered as a futures commission merchant with the
23 Commodity Futures Trading Commission, is a member of the National Futures Association and is
24 a clearing member of principal commodity exchanges in the United States.

25 39. BAS is not a bank and its deposits and other holdings are not insured by the
26 FDIC. BAS is a primary dealer in U.S. Government securities and underwrites and deals in U.S.
27 Government agency obligations, corporate debt and equity securities, state and municipal
28 securities, mortgage and other asset-backed securities, money market instruments and other

1 financial instruments. BAS offers various investment banking and financial advisory services in
 2 connection with public offerings, mergers and acquisitions, restructurings, private placements,
 3 loan syndications, loan trading, derivative produce arrangements, project financings, prime
 4 brokerage and futures and options on futures.

5 40. According to Audited figures published by BAS as of December 31, 2008,
 6 its balance sheet reflected \$208 billion in assets and \$198 billion in liabilities. BAS's Annual
 7 Audited Report for the period of January 1, 2007 though December 31, 2007 reflects \$268 billion
 8 in assets and \$257 billion in liabilities.

9 41. Moody's Investors Service gave BAS a short term credit rating of "P-1"
 10 on a Liquidity Risk Assessment performed on July 11, 2008. An issuer with a Prime-1 credit
 11 rating has superior ability to repay short-term debt obligations. Standard & Poor's gave BAS a
 12 credit rating of A-1 as of December 19, 2008.⁵ An "A-1" ranking means that the obligor's
 13 capacity to meet its financial commitment on the obligation is strong.⁶

14 **VIII. Basis For Relief Requested**

15 42. Continued use of the SCI Cash Management System, CMBS Cash
 16 Management System, SCI Bank Accounts, CMBS Bank Accounts, Records and Business Forms
 17 is essential to the Debtors' ongoing operations and restructuring efforts. Pursuant to 28 U.S.C. §
 18 586(a)(3) and the Guidelines, debtors in possession are required to, among other things, (i) close
 19 all existing bank accounts and open new debtor in possession bank accounts, (ii) establish one
 20 debtor in possession account for all estate monies required for payment of taxes, including payroll
 21 taxes, (iii) physically set aside all monies required by law to be withheld from employees or
 22 collected from others for taxes, (iv) open a new set of books and records as of the commencement
 23 date of the case, and (v) use new business forms indicating the debtor in possession status of the
 24 chapter 11 debtor. These requirements are intended to provide a clear line of demarcation
 25 between prepetition transactions and operations and postpetition transactions and operations, and

26 ⁵ Attached to the Friel Declaration as Exhibit "G" is a true and correct copy of Standard & Poor's credit rating
 27 dated December 19, 2008.

28 ⁶ Attached to the Friel Declaration as Exhibit "F" is a true and correct copy of Standard & Poor's Rating
 Symbols & Definitions dated December 1, 2008.

1 to prevent inadvertent payment of prepetition claims. Due to the sophistication of the Debtors’
 2 financial controls, these goals can be addressed in a less disruptive manner. The Debtors
 3 respectfully request entry of an order: (i) authorizing the Debtors to maintain and continue to use,
 4 without interruption, (a) their existing cash management systems (the SCI Cash Management
 5 System and the CMBS Cash Management System), including existing bank accounts, (b) their
 6 existing books, Records and Business Forms and (c) their existing investment policy; and (ii)
 7 waiving the requirements of section 345(b) of the Bankruptcy Code.

8 43. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor-in-possession
 9 to “use property of the estate in the ordinary course of business without notice or a hearing.” 11
 10 U.S.C. § 363(c)(1). “The framework of section 363 is designed to allow a trustee (or debtor in
 11 possession) the flexibility to engage in ordinary transactions without unnecessary creditor and
 12 bankruptcy court oversight, while protecting creditors by giving them an opportunity to be heard
 13 when transactions are not ordinary.” In re Roth Am., Inc., 975 F.2d 949, 952 (3d Cir. 1992).
 14 Included within the purview of section 363(c) is a debtor’s ability to continue the “routine
 15 transactions” necessitated by a debtor’s cash management system. Amdura Nat’l Distrib. Co. v.
 16 Amdura Corp. (In re Amdura Corp.), 75 F.3d 1447, 1453 (10th Cir. 1996). Thus, as one
 17 bankruptcy court has explained, “[a]pproval of cash management systems and related procedures
 18 and transactions employed in the ordinary course of a debtor’s business is common, particularly
 19 where . . . a bankruptcy case involves large and complex multiple affiliated debtors.” In re
 20 Federated Dep’t Stores, Inc., 1990 Bankr. LEXIS 84, at *2 (Bankr. S.D. Ohio Jan. 15, 1990); see
 21 also In re The Charter Co., 778 F.2d 617, 621 (11th Cir. 1985) (finding that authorizing the
 22 debtors to utilize their prepetition cash management system was entirely consistent with the
 23 provisions of the Bankruptcy Code).

24 44. In addition, section 105(a) of the Bankruptcy Code empowers the Court to
 25 “issue any order, process or judgment that is necessary or appropriate to carry out the provisions
 26 of this title.” 11 U.S.C. § 105(a); see also Am. Hardwoods, Inc. v. Deutsche Credit Corp. (In re
 27 Am. Hardwoods, Inc.), 885 F.2d 621, 625 (9th Cir. 1989) (explaining that section 105 endows the
 28 bankruptcy court with general equitable powers). For the reasons enumerated below, the Debtors

1 submit that approval of the continued use of the SCI Cash Management System, CMBS Cash
 2 Management System, SCI Bank Accounts, CMBS Bank Accounts, and Records and Business
 3 Forms is appropriate under the foregoing statutory framework.

4 **A. Continuation of Existing Cash Management Systems (SCI Cash Management**
 5 **System and CMBS Cash Management System), SCI Bank Accounts, CMBS**
 6 **Bank Accounts, and the Records and Business Forms Is Necessary**

7 45. The Debtors strongly believe that only through the continuation of the SCI
 8 Cash Management System and CMBS Cash Management System in the ordinary course of
 9 business can the chapter 11 reorganization process be achieved in an efficient and cost-effective
 10 manner. No party in interest will be prejudiced or injured by the Debtors' continuing to use the
 11 existing SCI Cash Management System and CMBS Cash Management System. The Debtors will
 12 maintain records of all prepetition and postpetition transfers within the SCI Cash Management
 13 System and CMBS Cash Management System, so that all transfers and transactions will be
 14 documented in their books and records to the same extent such information was maintained by the
 15 Debtors prior to the Petition Date.

16 46. In connection therewith, no party in interest will be prejudiced or injured by
 17 the Debtors' maintenance of the SCI Bank Accounts and CMBS Bank Accounts (the "Bank
 18 Accounts") in the ordinary course of business. Prepetition checks, drafts, wire transfers, or other
 19 forms of tender that have not yet cleared the relevant drawee bank as of the Petition Date will be
 20 honored only if authorized by separate order of this Court.⁷ The Debtors strongly believe that if
 21 they were required to replace their existing Bank Accounts with new accounts as of the Petition
 22 Date pursuant to the Guidelines, such requirement would unnecessarily disrupt the Debtors'
 23 business and impair their efforts to preserve the value of their estate and reorganize in an efficient
 24 manner.

25 47. The Debtors submit that no party in interest will be prejudiced if the
 26 Debtors are authorized to continue to use their Records and Business Forms, substantially in the
 27 forms existing immediately prior to the Petition Date. For the reasons set forth above, changing

28 ⁷ Contemporaneously herewith, the Debtors have filed several motions seeking the authority to make certain
 prepetition payments and honor outstanding checks or other transfers or forms of tender issued prepetition in
 connection with such authorized payment.

1 Records and Business Forms at this critical, early stage of these chapter 11 cases would be
2 expensive and burdensome to the Debtors' estates and extremely disruptive to the Debtors'
3 operations.

4 48. Accordingly, the Debtors seek the entry of an order, pursuant to sections
5 105(a) and 363(c)(1) of the Bankruptcy Code, authorizing the Debtors to continue the collection,
6 concentration and disbursement of cash pursuant to the SCI Cash Management System and CMBS
7 Cash Management System, the maintenance of their existing Bank Accounts and the use of their
8 existing Records and Business Forms. Ultimately, because the Debtors process large amounts of
9 cash on a daily basis to facilitate the unique needs of gaming and hotel services, any disruption to
10 the SCI Cash Management System and CMBS Cash Management System or Bank Accounts
11 could seriously harm the Debtors and their estates and creditors.

12 **B. Continuation of Current Investment Practices Is Necessary**

13 49. The Debtors also submit that the Investment Practices comport with the
14 requirements of section 345 of the Bankruptcy Code relating to the investment and deposit of
15 money of the estate. Section 345(a) of the Bankruptcy Code authorizes such deposit or
16 investment of money of estates, such as cash, as "will yield the maximum reasonable net return on
17 such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a).
18 While section 345(b) of the Bankruptcy Code generally requires that, with respect to investments
19 other than investments "insured or guaranteed by the United States or by a department, agency or
20 instrumentality of the United States or backed by the full faith and credit of the United States," the
21 estate must require a bond in favor of the United States secured by the undertaking of a United
22 States Trustee approved corporate surety, the section also allows the court to dispense with this
23 limitation "for cause." 11 U.S.C. § 345(b).

24 50. Cause exists in these cases for the Court to allow the Debtors to continue
25 their Investment Practices. Even dispensing with the fact that it is likely impossible for the
26 Debtors to bond their Investment Practices, the Investment Practices are structured so as to
27 comport with the investment objectives of section 345(a). The Investment Practices are prudent
28 and have a primary goal of protection of principal and a secondary goal of maximizing yield and

1 liquidity. The Investment Practices are conducted, and will continue to be conducted throughout
 2 the pendency of these cases, via Banc of America Securities LLC, a reputable financial institution.
 3 The Investment Practices therefore provide sufficient protection for the Debtors' cash assets, and
 4 it would be in the best interests of their estates and creditors for the Debtors to continue to follow
 5 them. Accordingly, the Debtors seek a waiver of the "corporate surety" requirement of section
 6 345 of the Bankruptcy Code to the extent set forth above.

7 **C. "Cause" Exists to Approve the Debtors' Use of Unauthorized Depository**
 8 **Accounts**

9 51. Section 345 of the Bankruptcy Code provides the guidelines for deposit or
 10 investment of the money of the estate by the trustee or debtor in possession. The purpose of
 11 Section 345 is to ensure that the funds of a bankrupt company "are invested prudently and safely
 12 with the eventual goal of being able to satisfy all claims against the bankrupt estate." In re
 13 Service Merchandise Co., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999). Section 345(a) directs
 14 the trustee to make such an investment to yield the maximum reasonable net return while
 15 considering the safety of the deposit.

16 52. "Section 345(b) requires certain precautions against the loss of funds of
 17 the estate through deposit or investment to protect creditors of the estate." COLLIER ON
 18 BANKRUPTCY ¶ 345.04 (15th ed. rev. 2006). "Generally, funds of the estate, as deposited or
 19 invested, must be insured or guaranteed by the United States or by a department, agency or
 20 instrumentality of the United States, or backed by the full faith and credit of the United States."
 21 Id.; see also 11 U.S.C. §345(b)(2). "If not, then the entity with whom the funds have been
 22 deposited or invested must either obtain a bond in favor of the United States or provide the United
 23 States obligations to the United States trustee to secure the estate's funds it holds." Id. However,
 24 section 345(b)(2) allows the court to approve investments other than those permitted by section
 25 345(b) for just cause. "Cause" is not defined in the Bankruptcy Code. See In re Service
 26 Merchandise Co., 240 B.R. at 897.

27 53. In In re Service Merchandise Co., the bankruptcy court found just cause
 28 existed to waive the section 345(b) requirements. The bankruptcy court considered the totality of

1 circumstances in determining if “cause” existed for relief from the strictures of Section 345(b),
 2 which included analyzing the following factors:

- 3 1. The sophistication of the debtor’s business;
- 4 2. The size of the debtor’s business operations;
- 5 3. The amount of investments involved;
- 6 4. The bank ratings (Moody's and Standard & Poor’s) of the financial
institutions where debtor-in-possession funds are held;
- 7 5. The complexity of the case;
- 8 6. The safeguards in place within the debtor’s own business of insuring the
safety of the funds;
- 9 7. The debtor’s ability to reorganize in the face of a failure of one or more of
the financial institutions;
- 10 8. The benefit to the debtor;
- 11 9. The harm, if any, to the estate; and
- 12 10. The reasonableness of the debtor's request for relief from section 345(b)
requirements in light of the overall circumstances of the case.

13 See 240 B.R. at 896.

14 54. “Cause” exists to permit the Debtors to use a non-cooperating depository
 15 because all of the factors listed above favor permitting the investment of funds with BAS. SCI is
 16 a large, sophisticated debtor with a complex cash management system. SCI relies on multiple
 17 banks and multiple accounts to handle millions of dollars that flow through their accounts on a
 18 daily basis. SCI uses its investment account with BAS to deposit excess funds or to draw funds
 depending on the Debtors’ daily cash flow needs.

19 55. SCI has a total amount of approximately \$30,000,000 invested in the
 20 depository account with BAS. SCI has instructed BAS to only invest funds in financial
 21 instruments qualifying as cash or cash equivalents. SCI’s investment practices are prudent and
 22 have a primary goal of protection of principal and a secondary goal of maximizing yield and
 23 liquidity.

24 56. BAS is a financially sound and reputable institution that has the ability to
 25 repay its debt obligations based on its credit rating. BAS is a subsidiary of Bank of America,
 26 which is one of the largest financial institutions in the United States.

27 57. Requiring SCI to cease using its BAS account will undoubtedly disrupt the
 28 Debtors’ operations. The investment account is used on a daily basis as part of the Debtors’

1 overall cash management system. The Debtors should not be required to change their investment
2 strategy and account because SCI's investment practices provide sufficient protection for the
3 Debtors' cash assets. Therefore, it is in the best interest of the Debtors' estates and creditors for
4 the Debtors to continue to use the non-cooperating depository for their investments.

5 58. Based on the foregoing, the Debtors request this Court permit them to
6 maintain, close, and open new accounts at non-cooperating financial institutions to invest their
7 excess funds.

8 **D. The Bankruptcy Code and Applicable Case Law Support Granting the Relief**
9 **Requested Herein**

10 59. Based on the foregoing, the Debtors submit that the relief requested herein
11 is necessary and appropriate, is in the best interests of their estates and all other interested parties,
12 and should be granted in all respects.

13 60. The Debtors further submit that because the relief requested in this Motion
14 is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth
15 herein, Bankruptcy Rule 6003 has been satisfied.

16 61. To successfully implement the foregoing, the Debtors seek a waiver of the
17 notice requirements under Bankruptcy Rule 6004(a) and the ten-day stay under Bankruptcy Rule
18 6004(h).

IX. Conclusion

WHEREFORE, the Debtors respectfully request entry of interim and final orders substantially in the form attached hereto granting (i) the relief requested herein, and (ii) such other and further relief as the Court may deem just and proper.

Dated: July 28, 2009

Respectfully submitted,

By: _____/s

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Proposed Local Reorganization Counsel
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Exhibit A to Cash Management Motion

SCI Bank Accounts

Debtor	Name of Bank	Account Type
Station Casinos, Inc.	Bank of America, N.A.	Accounts Payable
Station Casinos, Inc.	Bank of America, N.A.	Branded Visa Account
Station Casinos, Inc.	Bank of America, N.A.	Concentration Account
Station Casinos, Inc.	Banc of America Securities LLC	Overnight Investment
Station Casinos, Inc.	Bank of America, N.A.	Payroll Account
Station Casinos, Inc.	Bank of America, N.A.	Worker's Compensation
Station Casinos, Inc.	Bank of America, N.A.	Health Account – Benefit Planners
Fertitta Partners, LLC	Bank of America, N.A.	Depository/Checking Account
FCP VoteCo, LLC	Bank of America, N.A.	Depository/Checking Account
FCP Holding, Inc.	Bank of America, N.A.	Depository/Checking Account

CMBS Bank Accounts

Debtor	Name of Bank	Account Type
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP PropCo LLC	Bank of America, N.A.	Depository/Borrower's Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Master Lease Rent Shortfall Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Swap Payment Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Second Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Ground Rent Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Insurance Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Holding Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Tax Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	First Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Third Mezzanine Debt Service Reserve
FCP PropCo, LLC	HSBC Bank USA, N.A.	Fourth Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Proceeds Reserve Account

Exhibit B to Cash Management Motion

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Proposed Reorganization Counsel for
Debtors and Debtors in Possession

Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

NORTHERN NV ACQUISITIONS, LLC

- ☐ Affects this Debtor
- ☒ Affects all Debtors
- ☐ Affects Reno Land Holdings, LLC
- ☐ Affects River Central, LLC
- ☐ Affects Tropicana Station, LLC
- ☐ Affects FCP Holding, Inc.
- ☐ Affects FCP Voteco, LLC
- ☐ Affects Fertitta Partners LLC
- ☐ Affects Station Casinos, Inc.
- ☐ Affects FCP MezzCo Parent, LLC
- ☐ Affects FCP MezzCo Parent Sub, LLC
- ☐ Affects FCP MezzCo Borrower VII, LLC
- ☐ Affects FCP MezzCo Borrower VI, LLC
- ☐ Affects FCP MezzCo Borrower V, LLC
- ☐ Affects FCP MezzCo Borrower IV, LLC
- ☐ Affects FCP MezzCo Borrower III, LLC
- ☐ Affects FCP MezzCo Borrower II, LLC
- ☐ Affects FCP MezzCo Borrower I, LLC
- ☐ Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-_____
Jointly Administered

**INTERIM ORDER PURSUANT TO 11
U.S.C. §§ 105(a), 345(b), 363(c) AND 364
FOR AUTHORIZATION TO (i)
CONTINUE CASH MANAGEMENT
SYSTEM, (ii) MAINTAIN EXISTING
BANK ACCOUNTS AND BUSINESS
FORMS, AND (iii) MAINTAIN
EXISTING INVESTMENT POLICY**

Hearing Date: July 30, 2009
Hearing Time: 1:30 p.m.

1 Upon the motion, dated July 28, 2009 (the “Motion”)¹, of Station Casinos, Inc.
 2 and its affiliated debtors and debtors in possession (collectively, the “Debtors” or “Station”)² in
 3 the above-captioned chapter 11 cases, for interim and final orders pursuant to sections 105(a),
 4 345(b), 363(c), and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as
 5 amended, the “Bankruptcy Code”) (i) authorizing the Debtors to maintain and continue to use,
 6 without interruption, (a) their existing cash management systems (the SCI Cash Management
 7 System and the CMBS Cash Management System), including existing bank accounts, (b) their
 8 existing books, Records and Business Forms, and (c) their existing investment policy, and
 9 (ii) waiving the requirements of section 345(b) of the Bankruptcy Code, as described in the
 10 Motion; and upon consideration of the supporting declaration of Thomas M. Friel, sworn to on
 11 July 24, 2009; and the Court having jurisdiction to consider the Motion and the relief requested
 12 therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the
 13 relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being
 14 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of
 15 the Motion having been provided, and it appearing that no other or further notice need be
 16 provided; and the Court having determined that the relief sought in the Motion is in the best
 17 interests of the Debtors, their creditors and all parties in interest; and the Court having
 18 determined that the legal and factual bases set forth in the Motion establish just cause for the
 19 relief granted herein; and upon all of the proceedings had before the Court and after due
 20 deliberation and sufficient cause appearing therefore, it is hereby

21 **ORDERED** that the Motion is hereby granted in its entirety on an interim basis
 22 pending a final hearing thereon (the “Final Hearing”) and entry of a superseding Final Order by
 23 this Court; and it is further

25 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

26 ² The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC,
 27 River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC,
 28 Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower
 VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV,
 LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC,
 and FCP PropCo, LLC.

1 **ORDERED** that the Debtors are authorized and empowered, pursuant to sections
2 105(a) and 363(c) of the Bankruptcy Code, to pay costs and obligations of the Debtors through
3 their existing cash management systems, as described in the Motion; and it is further

4 **ORDERED** that the Debtors are authorized to (i) designate, maintain and
5 continue to use, without interruption, any or all of their existing Bank Accounts, including but
6 not limited to the Bank Accounts with those banks (the "Banks") listed on Exhibit A attached
7 hereto, in the names and with the account numbers existing immediately before the Petition Date,
8 (ii) deposit funds in and withdraw funds from these accounts by all usual means, including,
9 without limitation, checks, wire transfers, automated transfers and other debits, and (iii) treat
10 their prepetition Bank Accounts for all purposes as debtor in possession accounts; and it is
11 further

12 **ORDERED** that the Debtors are authorized to continue using their Business
13 Forms and Records as described in the Motion, without reference to their status as debtors in
14 possession; and it is further

15 **ORDERED** that the Debtors are authorized to continue using their existing
16 Investment Practices as described in the Motion; and it is further

17 **ORDERED** that the Debtors are authorized and empowered, pursuant to section
18 345 of the Bankruptcy Code to maintain, close and open new accounts not located on the U.S.
19 Trustee's list of authorized depositories; and it is further

20 **ORDERED** that the Debtors are authorized and empowered, pursuant to section
21 345 of the Bankruptcy Code, to continue to deposit funds in and withdraw funds from their
22 investment account maintained at BAS by all usual means; and it is further

23 **ORDERED** that as soon as practicable after entry of this order, the Debtors shall
24 serve a copy of this order on the Banks, including BAS; and it is further

25 **ORDERED** that unless otherwise provided in this order or separately ordered by
26 this Court, no Bank shall honor or pay any bank payments drawn on the Bank Accounts or
27 otherwise issued or dated prior to the Petition Date; and it is further
28

1 **ORDERED** that except as otherwise expressly provided in this order, all Banks at
2 which the Bank Accounts are maintained are authorized and directed to continue to service and
3 administer the Bank Accounts as accounts of the Debtors as debtors in possession, without
4 interruption and in the ordinary course, and to receive, process, honor and pay any and all
5 checks, drafts, wires and automated clearing house transfers issued and drawn on the Bank
6 Accounts after the Petition Date by the holders or makers thereof, as the case may be; and it is
7 further

8 **ORDERED** that the Debtors are authorized to open any new bank accounts or
9 close any existing bank accounts as they may deem necessary and appropriate in their sole
10 discretion; and it is further

11 **ORDERED** that the requirement to establish separate accounts for cash collateral
12 and/or tax payments is hereby waived; and it is further

13 **ORDERED** that, subject to the terms of the Interim Order pursuant to 11 U.S.C.
14 §§ 105, 361, 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(b), (c) and (d) (I)
15 authorizing the Debtors to (a) use cash collateral; (b) obtain unsecured, subordinated post-
16 petition financing; and (c) make loans to non-debtor subsidiaries, (II) granting adequate
17 protection to prepetition secured parties, (III) granting related relief, and (IV) scheduling final
18 hearing, the Debtors are authorized to (i) make transfers to their debtor and non-debtor
19 subsidiaries and affiliates, (ii) honor and make payments in respect of prepetition intercompany
20 obligations to debtor and non-debtor subsidiaries and affiliates, and (iii) make postpetition
21 payments on behalf of their debtor and non-debtor subsidiaries and affiliates to third parties in
22 accordance with prepetition practice or as otherwise described in the Motion; and it is further

23 **ORDERED**, that, except as otherwise permitted by other order of this Court or
24 any other court of competent jurisdiction or by the Bankruptcy Code, nothing herein shall
25 authorize transfers from the CMBS Bank Accounts which are not otherwise permitted under the
26 pre-petition agreements applicable to such accounts; and it is further

1 **ORDERED** that the requirements relating to the investment and deposit of
2 money of the estate, with respect to (i) the Guidelines promulgated by the United States Trustee,
3 and (ii) section 345(b) of the Bankruptcy Code, are waived; and it is further

4 **ORDERED** that the Debtors are authorized, but not required, to (i) pay
5 prepetition amounts outstanding as of the date hereof, if any, owed to their Banks as service
6 charges for the maintenance of the SCI Cash Management System and CMBS Cash Management
7 System, and (ii) reimburse the Banks for any claims arising before or after the Petition Date in
8 connection with customer checks deposited with the Banks that have been dishonored or
9 returned as a result of insufficient funds in the Bank Accounts; and it is further

10 **ORDERED** that no payment sought in the Motion shall be permissible unless
11 such payment is (i) made pursuant to an Interim or Final Order, as applicable, and (ii) otherwise
12 consistent with the limitations set forth in the Interim Order Pursuant to 11 U.S.C. §§ 105, 361,
13 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(B), (C) and (D) (I) Authorizing the
14 Debtors to (A) Use Cash Collateral; (B) Obtain Unsecured, Subordinated Post-Petition
15 Financing; (C) Make Loans to Non-Debtor Subsidiaries, (II) Granting Adequate Protection to
16 Prepetition Secured Parties, (III) Granting Related Relief, and (IV) Scheduling Final Hearing and
17 the Budget (as defined therein); and it is further

18 **ORDERED** that in the event there shall be an objection to the requested relief in
19 this Motion being granted on a permanent basis, there shall be a Hearing held on _____
20 at _____ (Pacific Standard Time), or as soon thereafter as counsel may be heard, to consider
21 the relief requested in this Motion on a permanent basis; and it is further

22 **ORDERED** that, notwithstanding any provision in the Federal Rules of
23 Bankruptcy Procedure to the contrary, the Debtors are not subject to any stay in the
24 implementation, enforcement or realization of the relief granted in this Interim Order, and the
25 Debtors may, in their discretion and without further delay, take any action and perform any act
26 authorized under this Interim Order; and it is further

27 **ORDERED** that the terms and conditions of this order shall be immediately
28 effective and enforceable upon its entry; and it is further

1 **ORDERED** that within ____ days of this Interim Order, the Debtors shall serve
2 this Interim Order upon the Master Service List pursuant to the Court's Order Establishing
3 Notice Procedures; and it is further

4 **ORDERED** that notice of the Motion as provided therein shall be deemed good
5 and sufficient notice of the Motion.

6
7 SUBMITTED BY:

8 Paul S. Aronzon (CA State Bar No. 88781)
9 Thomas R. Kreller (CA State Bar No. 161922)
10 MILBANK, TWEED, HADLEY & McCLOY LLP
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14 Proposed Reorganization Counsel for
15 Debtors and Debtors in Possession

16 Bruce T. Beesley (NV SBN 1164)
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22 Proposed Local Reorganization Counsel for
23 Debtors and Debtors in Possession

24
25
26
27
28
#

Exhibit A To Interim Order

SCI Bank Accounts

Debtor	Name of Bank	Account Type
Station Casinos, Inc.	Bank of America, N.A.	Accounts Payable
Station Casinos, Inc.	Bank of America, N.A.	Branded Visa Account
Station Casinos, Inc.	Bank of America, N.A.	Concentration Account
Station Casinos, Inc.	Banc of America Securities LLC	Overnight Investment
Station Casinos, Inc.	Bank of America, N.A.	Payroll Account
Station Casinos, Inc.	Bank of America, N.A.	Worker's Compensation
Station Casinos, Inc.	Bank of America, N.A.	Health Account – Benefit Planners
Fertitta Partners, LLC	Bank of America, N.A.	Depository/Checking Account
FCP VoteCo, LLC	Bank of America, N.A.	Depository/Checking Account
FCP Holding, Inc.	Bank of America, N.A.	Depository/Checking Account

CMBS Bank Accounts

Debtor	Name of Bank	Account Type
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP PropCo LLC	Bank of America, N.A.	Depository/Borrower's Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Master Lease Rent Shortfall Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Swap Payment Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Second Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Ground Rent Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Insurance Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Holding Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Tax Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	First Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Third Mezzanine Debt Service Reserve
FCP PropCo, LLC	HSBC Bank USA, N.A.	Fourth Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Proceeds Reserve Account

EXHIBIT C to Cash Management Motion

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Proposed Reorganization Counsel for
Debtors and Debtors in Possession

Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

NORTHERN NV ACQUISITIONS, LLC

- ☐ Affects this Debtor
☒ Affects all Debtors
☐ Affects Reno Land Holdings, LLC
☐ Affects River Central, LLC
☐ Affects Tropicana Station, LLC
☐ Affects FCP Holding, Inc.
☐ Affects FCP Voteco, LLC
☐ Affects Fertitta Partners LLC
☐ Affects Station Casinos, Inc.
☐ Affects FCP MezzCo Parent, LLC
☐ Affects FCP MezzCo Parent Sub, LLC
☐ Affects FCP MezzCo Borrower VII, LLC
☐ Affects FCP MezzCo Borrower VI, LLC
☐ Affects FCP MezzCo Borrower V, LLC
☐ Affects FCP MezzCo Borrower IV, LLC
☐ Affects FCP MezzCo Borrower III, LLC
☐ Affects FCP MezzCo Borrower II, LLC
☐ Affects FCP MezzCo Borrower I, LLC
☐ Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-_____
Jointly Administered

**FINAL ORDER PURSUANT TO 11
U.S.C. §§ 105(a), 345(b), 363(c) AND 364
FOR AUTHORIZATION TO (i)
CONTINUE CASH MANAGEMENT
SYSTEM, (ii) MAINTAIN EXISTING
BANK ACCOUNTS AND BUSINESS
FORMS, AND (iii) MAINTAIN
EXISTING INVESTMENT POLICY**

Hearing Date:
Hearing Time:

1 Upon the motion, dated July 28, 2009 (the “Motion”)¹, of Station Casinos, Inc.
 2 and its affiliated debtors and debtors in possession (collectively, the “Debtors” or “Station”)² in
 3 the above-captioned chapter 11 cases, for interim and final orders pursuant to sections 105(a),
 4 345(b), 363(c), and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as
 5 amended, the “Bankruptcy Code”) (i) authorizing the Debtors to maintain and continue to use,
 6 without interruption, (a) their existing cash management systems (the SCI Cash Management
 7 System and the CMBS Cash Management System), including existing bank accounts, (b) their
 8 existing books, Records and Business Forms, and (c) their existing investment policy, and (ii)
 9 waiving the requirements of section 345(b) of the Bankruptcy Code; and upon consideration of
 10 the supporting declaration of Thomas M. Friel, sworn to on July 24, 2009; and the Court having
 11 jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C.
 12 §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core
 13 proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to
 14 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and
 15 it appearing that no other or further notice need be provided; and the Court having determined
 16 that the relief sought in the Motion is in the best interests of the Debtors, their creditors and all
 17 parties in interest; and the Court having determined that the legal and factual bases set forth in
 18 the Motion establish just cause for the relief granted herein; and upon all of the proceedings had
 19 before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby
 20 **ORDERED** that the Motion is hereby granted in its entirety; and it is further
 21 **ORDERED** that the Debtors are authorized and empowered, pursuant to sections
 22 105(a) and 363(c) of the Bankruptcy Code, to pay costs and obligations of the Debtors through
 23 their existing cash management systems, as described in the Motion; and it is further

25 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

26 ² The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC,
 27 River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC,
 28 Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower
 VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV,
 LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC,
 and FCP PropCo, LLC.

1 **ORDERED** that the Debtors are authorized to (i) designate, maintain and
2 continue to use, without interruption, any or all of their existing Bank Accounts, including but
3 not limited to the Bank Accounts with those banks (the “Banks”) listed on Exhibit A attached
4 hereto, in the names and with the account numbers existing immediately before the Petition Date,
5 (ii) deposit funds in and withdraw funds from these accounts by all usual means, including,
6 without limitation, checks, wire transfers, automated transfers and other debits, and (iii) treat
7 their prepetition Bank Accounts for all purposes as debtor in possession accounts; and it is
8 further

9 **ORDERED** that the Debtors are authorized to continue using their Business
10 Forms and Records as described in the Motion, without reference to their status as debtors in
11 possession; and it is further

12 **ORDERED** that the Debtors are authorized to continue using their existing
13 Investment Practices as described in the Motion; and it is further

14 **ORDERED** that as soon as practicable after entry of this order, the Debtors shall
15 serve a copy of this order on the Banks; and it is further

16 **ORDERED** that unless otherwise provided in this order or separately ordered by
17 this Court, no Bank shall honor or pay any bank payments drawn on the Bank Accounts or
18 otherwise issued or dated prior to the Petition Date; and it is further

19 **ORDERED** that except as otherwise expressly provided in this order, all Banks at
20 which the Bank Accounts are maintained are authorized and directed to continue to service and
21 administer the Bank Accounts as accounts of the Debtors as debtors in possession, without
22 interruption and in the ordinary course, and to receive, process, honor and pay any and all
23 checks, drafts, wires and automated clearing house transfers issued and drawn on the Bank
24 Accounts after the Petition Date by the holders or makers thereof, as the case may be; and it is
25 further

26 **ORDERED** that the Debtors are authorized to open any new bank accounts or
27 close any existing bank accounts as they may deem necessary and appropriate in their sole
28 discretion; and it is further

1 **ORDERED** that the requirement to establish separate accounts for cash collateral
2 and/or tax payments is hereby waived; and it is further

3 **ORDERED** that, subject to the terms of the Interim Order pursuant to 11 U.S.C.
4 §§ 105, 361, 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(b), (c) and (d) (I)
5 authorizing the Debtors to (a) use cash collateral; (b) obtain unsecured, subordinated post-
6 petition financing; and (c) make loans to non-debtor subsidiaries, (II) granting adequate
7 protection to prepetition secured parties, (III) granting related relief, and (IV) scheduling final
8 hearing, the Debtors are authorized to (i) make transfers to their debtor and non-debtor
9 subsidiaries and affiliates, (ii) honor and make payments in respect of prepetition intercompany
10 obligations to debtor and non-debtor subsidiaries and affiliates, and (iii) make postpetition
11 payments on behalf of their debtor and non-debtor subsidiaries and affiliates to third parties in
12 accordance with prepetition practice or as otherwise described in the Motion; and it is further

13 **ORDERED**, that, except as otherwise permitted by other order of this Court or
14 any other court of competent jurisdiction or by the Bankruptcy Code, nothing herein shall
15 authorize transfers from the CMBS Bank Accounts which are not otherwise permitted under the
16 pre-petition agreements applicable to such accounts; and it is further

17 **ORDERED** that the requirements relating to the investment and deposit of
18 money of the estate, with respect to (i) the Guidelines promulgated by the United States Trustee
19 and (ii) section 345(b) of the Bankruptcy Code, are waived; and it is further

20 **ORDERED** that the Debtors are authorized and empowered, pursuant to section
21 345 of the Bankruptcy Code to maintain, close and open new accounts not located on the U.S.
22 Trustee's list of authorized depositories; and it is further

23 **ORDERED** that the Debtors are authorized and empowered, pursuant to section
24 345 of the Bankruptcy Code, to continue to deposit funds in and withdraw funds from their
25 investment account maintained at BAS by all usual means; and it is further

26 **ORDERED** that the Debtors are authorized, but not required, to (i) pay
27 prepetition amounts outstanding as of the date hereof, if any, owed to their Banks as service
28 charges for the maintenance of the SCI Cash Management System and CMBS Cash Management

1 System, and (ii) reimburse the Banks for any claims arising before or after the Petition Date in
2 connection with customer checks deposited with the Banks that have been dishonored or
3 returned as a result of insufficient funds in the Bank Accounts; and it is further

4
5 **ORDERED** that no payment sought in the Motion shall be permissible unless
6 such payment is (i) made pursuant to an Interim or Final Order, as applicable, and (ii) otherwise
7 consistent with the limitations set forth in the Interim Order Pursuant to 11 U.S.C. §§ 105, 361,
8 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(B), (C) and (D) (I) Authorizing the
9 Debtors to (A) Use Cash Collateral; (B) Obtain Unsecured, Subordinated Post-Petition
10 Financing; (C) Make Loans to Non-Debtor Subsidiaries, (II) Granting Adequate Protection to
11 Prepetition Secured Parties, (III) Granting Related Relief, and (IV) Scheduling Final Hearing and
12 the Budget (as defined therein); and it is further

13 **ORDERED** that all objections to the relief requested in the Motion have been
14 overruled; and it is further

15 **ORDERED** that the Debtors are authorized to take all actions necessary to
16 effectuate the relief granted pursuant to this order in accordance with the Motion; and it is further

17 **ORDERED** that the terms and conditions of this order shall be immediately
18 effective and enforceable upon its entry; and it is further

1 **ORDERED** that notice of the Motion as provided therein shall be deemed good
2 and sufficient notice of the Motion.

3
4 SUBMITTED BY:

5 Paul S. Aronzon (CA State Bar No. 88781)
6 Thomas R. Kreller (CA State Bar No. 161922)
7 MILBANK, TWEED, HADLEY & McCLOY LLP
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10 Proposed Reorganization Counsel for
11 Debtors and Debtors in Possession

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18 Proposed Local Reorganization Counsel for
19 Debtors and Debtors in Possession

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Exhibit A To Final Order

SCI Bank Accounts

Debtor	Name of Bank	Account Type
Station Casinos, Inc.	Bank of America, N.A.	Accounts Payable
Station Casinos, Inc.	Bank of America, N.A.	Branded Visa Account
Station Casinos, Inc.	Bank of America, N.A.	Concentration Account
Station Casinos, Inc.	Banc of America Securities LLC	Overnight Investment
Station Casinos, Inc.	Bank of America, N.A.	Payroll Account
Station Casinos, Inc.	Bank of America, N.A.	Worker's Compensation
Station Casinos, Inc.	Bank of America, N.A.	Health Account – Benefit Planners
Fertitta Partners, LLC	Bank of America, N.A.	Depository/Checking Account
FCP VoteCo, LLC	Bank of America, N.A.	Depository/Checking Account
FCP Holding, Inc.	Bank of America, N.A.	Depository/Checking Account

CMBS Bank Accounts

Debtor	Name of Bank	Account Type
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower I LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower II LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower III LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Account
FCP Mezzco Borrower IV LLC	HSBC Bank USA, N.A.	Mezzanine Debt Service Account
FCP PropCo LLC	Bank of America, N.A.	Depository/Borrower's Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Master Lease Rent Shortfall Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Swap Payment Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Second Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Ground Rent Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Insurance Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Holding Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Tax Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	First Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Third Mezzanine Debt Service Reserve
FCP PropCo, LLC	HSBC Bank USA, N.A.	Fourth Mezzanine Debt Service Reserve Account
FCP PropCo, LLC	HSBC Bank USA, N.A.	Proceeds Reserve Account

